

DURHAM CITY COUNCIL WORK SESSION
THURSDAY, JANUARY 19, 2006 – 1:00 P.M.
Committee Room – 2nd Floor –City Hall

SUBJECT: LOAN SUBORDINATION FOR CRESTVIEW APARTMENTS

MOTION by Council Member Catotti seconded by Mayor Pro Tempore Cole-McFadden to suspend the rules of the City Council and take action on the above-mentioned subject was approved at 2:55 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Brown, Catotti, Clement and Woodard. Noes: None. Excused Absence: Council Member Stith.

MOTION by Council Member Catotti seconded by Council Member Brown to approve the subordination and declination of the City's existing second mortgage loan to an amount not to exceed \$2.3 million and to a mortgage position of not less than fourth (4th) and to extend the loan repayment term until May 1, 2036; and

To authorize the City Manager to execute the subordination agreement, along with associated legal documents, and

To authorize the City Manager to make changes to the subordination agreement so long as those changes do not increase the maximum dollar amount as approved by Council, or lessen the original obligations of the borrower(s) as specified in the executed loan documents dated August 31, 1994, except for extending the loan repayment term until the maturity of the new project financing, provided such scheduled maturity date shall not be later than May 1, 2036 was approved at 2:55 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Brown, Catotti, Clement and Woodard. Noes: None. Excused Absence: Council Member Stith.

D. Ann Gray, CMC
City Clerk